

## Ordinance to Establish Purchasing Limits in City Manager-Commission Chartered Cities

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We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with municipal government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other MTAS website material.

Sincerely,

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# Ordinance to Establish Purchasing Limits in City Manager-Commission Chartered Cities

Reference Number:  
MTAS-1688

## **AN ORDINANCE OF THE CITY OF \_\_\_\_\_ TO ESTABLISH PURCHASING LIMITS**

**WHEREAS**, T. C.A. § 6-19-104 provides that competitive prices for all purchases and public improvements shall be obtained whenever practicable and in accordance with regulations established by ordinance, and that formal sealed bids shall be obtained in all transactions involving expenditures of an amount to be set by ordinance, provided that the amount set shall be equal to or greater than the amount set in T.C.A., Title 6, Chapter 56, part 3 (\$2,500) but not to exceed \$10,000;

**WHEREAS**, T.C.A. § 6-19-104 provides that the city manager shall be responsible for all city purchasing, and T.C.A. § 6-21-108 provides that one of the duties of the city manager is to act as the purchasing agent for the city and to purchase all material, supplies and equipment for the proper conduct of the city's business as provided in T.C.A. § 6-19-104;

**WHEREAS**, It is in the best interest of the city to authorize the purchase by the city manager, without formal sealed bid, of material, supplies and equipment costing in excess of the amount set by T.C.A., Title 6, Chapter 56, Part 3, (\$10,000) and to give the city manager flexibility to make purchases on behalf of the city;

### **NOW THEREFORE, BE IT ORDAINED BY THE (governing body), as follows:**

Section 1. In accordance with T.C.A. § 6-19-104 the purchase of all material, supplies, equipment and services purchased under the authority of this ordinance shall, unless otherwise provided by law, be purchased in accordance with the following regulations:

**(a) Purchases not exceeding (not to exceed \$10,000).** The city manager is authorized to make the following purchases whose estimated costs do not exceed \$\_\_\_\_\_ without formal sealed bids and written specifications: commonly used items of material, supplies, equipment and services used in the ordinary course of maintaining and repairing the city's real or personal property; building or maintaining stocks of city material, supplies and equipment used in the ordinary course of city operations; and minor construction, repair or maintenance services. However a record of all such purchases shall be maintained describing the material, supplies, equipment or service purchased, the person or business from whom it was purchased, the date it was purchased, the purchase cost, and any other information from which the general public can easily determine the full details of the purchase. Each purchase shall be supported by invoices and/ or receipts and any other appropriate documentation signed by the person receiving payment.

**(b) Purchases in excess of (not to exceed \$10,000).** The city manager is required to make purchases in excess of \$\_\_\_\_\_ based on written specifications, awarded by written contract let to the lowest responsive and responsible bidder following advertisement for, and the submission of, sealed bids.

**(c) Exceptions to bidding requirement.** The city manager is authorized to make the following purchases whose estimated cost is in excess of \$\_\_\_\_\_ (not to exceed \$10,000) without written specifications or bids:

(1) Emergency purchases of material, supplies, equipment or services. However, a report of the emergency purchase, including the nature of the emergency, the materials, supplies, equipment or services purchased, and the appropriate documentation similar to that required under the first subsection above shall be filed with the city commission at its next regular meeting.

(2) The purchase of unique, special, or proprietary material, supplies, equipment or services the city manager determines is in the best interest of the city to acquire. However, a report of the purchase, including a full description of the material, supplies, equipment or services purchased; the reason the same is unique, special or proprietary; the interest of the city served by the purchase; and from whom the purchase will be made shall be filed with the city commission at its regular meeting prior to purchase.

(3) Purchases of equipment which, by reason of training of city personnel or an inventory of replacement parts maintained by the city, are compatible with the existing equipment owned by the city. However, a full report of the purchase, including a full description of the equipment, an outline of the municipal training or parts inventory factors that made the purchase economically advantageous to the city, and from whom the purchase will be made shall be filed with the city commission at its regular meeting prior to purchase.

(4) Purchases that can be made only from a sole source. The minimum geography for determining the "sole source" shall be the municipal limits. However, the city manager shall have the discretion to enlarge the geography of the sole source to whatever extent he determines is in the economic interest of the city. A full report of the purchase, including a full description of the purchase, evidence that the purchase was made legitimately a sole source purchase, and from whom the purchase will be made shall be filed with the city commission at its regular meeting prior to purchase.

Section 2. This ordinance shall take effect from and after its final passage, the public welfare requiring it.

**NOTE: City should add its appropriate provisions for readings or passages and signatures.**

*DISCLAIMER: The letters and publications written by the MTAS consultants were written based upon the law at the time and/or a specific sets of facts. The laws referenced in the letters and publications may have changed and/or the technical advice provided may not be applicable to your city or circumstances. Always consult with your city attorney or an MTAS consultant before taking any action based on information contained in this website.*

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